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HISTORICAL BACKGROUND OF THE CENTRAL INTELLIGENCE AGENCY

#### Introduction

As an aid in understanding CIA's present functions and organization, a historical background has been compiled including partiment material on World War II agencies and plans for a post war intelligence organization which were in process long before the end of the war.

The United States Covernment has carried on intelligence activities since the days of George Washington, but it was not until the swiftly moving events of the early 19h0's showed the need for an efficient method and organization for the development of intelligence that a government-wide system of intelligence work was conceived and later carried out, culminating in the formation and operation of the Central Intelligence Agency.

## 1. World War II

## a. Coordinator of Information

The events which foretold the coming of World War II, also acted as catalysts in the forming of various government organizations which served as nucleii in the subsequent government-wide expansion consistent with the gigantic war effort. By an Executive Order dated 8 September 1939, President Franklin Roosevelt provided for an office for emergency management win the event of a national emergency or the threat of one. Such an office was subsequently established on 25 May 1940. By an administrative order of 7 January 1941, the functions of the office were modified and further defined and included advising and assisting the

1. Executive Order 82h8 and Administrative Order of 25 May 19h0.

President in time of emergency, coordinating emergency activities of the Government and informing the President as to the various agencies' progress in emergency matters.

Six months later, the foremmer of a centralized intelligence service was established under the name of Coordinator of Information and William J. Donovan was named to that position. 2 He had authority from President Roosevelt to: "Collect and analyze all information and data, which may bear upon national security; to correlate such information and data, and to make such information and data available to the President and to such departments and agencies as the President may determine, and to carry out, when requested by the President, such supplementary activities as may facilitate the securing of information important for national security not now available to the Government." The Coordinator of Information was to have access to information and data within the various departments and agencies but he was not to interfere with or impair the duties and responsibilities of the President's regular military and naval advisors. To assist him, the Coordinator could appoint committees of representatives of the various departments and agencies. Colonel Donovan was to receive no compensation but was entitled to transportation subsistence and other incidental expenses.3 Under his broad mandate, the Coordinator of Information began to put together an organization capable of producing intelligence necessary for the successful carrying out of the war effort.

- 2. Presidential Order of 11 July 1941 (6 F.R. 3422).
- 3. Letter from President Roosevelt to Colonel Donovan, 23 July 19hl.

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In less than a year, on 13 June 1942, by a military order, the President abolished the Office of Coordinator of Information and established the Office of Strategic Services (OSS) which operationally came under the jurisdiction of the Joint Chiefs of Staff. OSS's mandate was quite simple. It was to:

"a. Collect and analyze such strategic information as may be required by the United States Joint Chiefs of Staff; and

"b. Plan and operate such special service as may be irrected by the United States Joint Chiefs of Staff."

William J. Donovan was appointed by the President as Director of Strategic Services "under the direction and supervision of the United States Joint Chiefs of Staff." OSS was allowed certain privileges in conducting its operations such as entering into contracts "without regard to the provisions of law relating to the making, performance, amendment, or modification of contracts." (Executive Order 92hl, 1 September 19h2.) Also it was imperative in performing certain of the wartime functions of OSS that latitude be granted in the expensiture of funds.

It was the announced policy of OSS to employ ordinary vouchared moneys wherever practicable. When, however, such use would have gravely impeded the effective prosecution of the program directed by the Joint Chiefs of Staff, OSS had to resort to funds expendable without regard to laws relating to the expenditure of government funds. For example, it would have been most difficult to have performed many of the peculiar

4. Military Order, 13 June 1942 (F.R. Doc. 42 - 57595).

fundapproved Formsteder respiritors: Character of the Laws or regulations concerning employment procedures, annual and sick leave, dual compensation, the purchase of motor vehicles, the employment of aliens, the retaining of investigators, or the securing of laborers or other personnel in various foreign countries. The General Accounting Office was willing to accept vouchers showing the expenditure of funds by OSS for such purposes providing that it was stated that such expenditures were necessary in the performance of its peculiar functions in disregard of existing law and regulation. The Mational War Agency Appropriation Act of 1945 (P.L. 372) as it pertained to OSS read as follows:

"Salaries and expenses: For all expenses necessary to enable the Office of Strategic Services to carry out its functions and activities, including salaries of a Director at \$10,000 per annum, one assistant director and one deputy director at \$9000 per annum each; procurement of necessary services, supplies and equipment without regard to section 3709, Revised Statutes; travel expenses, including expenses outside the United States without regard to the Standardized Covernment Travel Regulations and the Subsistence Expense Act of 1926, as amended (5 U.S.C. 821-833), and any general provision for the fiscal year 1945 to the contrary; preparation and transportation of the remains of officers and employees who die abroad or in transit, while in the dispatch of their official. duties, to their former homes in this country or to a place not more distant for interment, and for the ordinary expenses of such interment; rental of news-reporting services; purchase of or subscription to commercial and trade reports; the rendering of such gratuitous services and the disposition, free or otherwise, of such materials as the Director deems advisable; purchase or rental and operation of photographic, reproduction, duplicating and printing machines, equipment, and devices and radio-receiving and radio-sending equipment and devices; maintenance, operation, repair, and hire of motor-propelled or horse-drawn passenger-carrying vehicles and vessels of all kinds; printing and binding; exchange of funds without regard to section 3651, Revised Statutes (31 U.S.C. 543); purchase and free distribution of firearms, guard uniforms, special clothing, and other personal equipment; the cost of a compartment or such other accommodations as may be authorized by the Director for security when authorized personnel

are required to transport secret documents or hand baggage containing highly technical and valuable equipment; \$57,000,000 of which amount such sums as may be authorized by the Director of the Bureau of the Budget may be transferred to other departments or agencies of the Government, either as advance payment or reimbursement of appropriation, for the performance of any of the functions or activities for which this appropriation is made: PROVIDED, That \$37,000,000 of this appropriation may be expended without regard to the provisions of law and regulations relating to the expenditure of Government funds or the employment of persons in the Government service, and \$35,000,000 of such \$37,000,000 may be expended for objects of a confidential nature. such expenditures to be accounted for solely on the certificate of the Director of the Office of Strategic Services and every such certificate shall be deemed a sufficient voucher for the amount therein certified."5

The Director of OSS enjoyed the confidence of the Congress in managing the disposition of confidential funds as can be seen by reading over the hearings before the subcommittee on appropriation of the 78th Congress, 2d Session.

# 2. Post War Intelligence Organization 1946-47

## The Central Intelligence Group

The OSS organization remained intact until the close of World War II. In the fall of 19th, its Director, General Bonovan was asked by the President to recommend the concept for a postwar intelligence organization. In substance, his recommendations were followed out when the President, in January 19th, created the National Intelligence Authority (NIA). A Central Intelligence Group was also organized by directive, with a Director of Central Intelligence designated by the President to assist the NIA and to be responsible to it.

5. U.S.C. Congressional Service, 78th Congress, 2d Session, 19h4, p.531.

Text of Directive, 22 January 1946.

- foreign intelligence activities be planned, developed and coordinated so as to assure the most effective accomplishment of the intelligence mission related to the national security. I hereby designate you, /Secretaries of State, War and Navy/ together with another person to be named by me as my personal representative, as the National Intelligence Authority to accomplish this purpose.
- each from time to time assign persons and facilities from your respective departments, which persons shall collectively form a Central Intelligence Group and shall, under the direction of a Director of Central Intelligence, assist the National Intelligence Authority. The Director of Central Intelligence shall be designated by me, shall be responsible to the National Intelligence Authority, and shall sit as a nonvoting member thereof.
- "3. Subject to the existing law, and to the direction and control of the National Intelligence Authority, the Director of Central Intelligence shall:
  - "a. Accomplish the correlation and evaluation of intelligence relating to the national security, and the appropriate dissemination within the Government of the resulting strategic and national policy intelligence. In so doing, full use shall be made of the staff and facilities of the intelligence agencies of your departments.
  - "b. Plan for the coordination of such of the activities of the intelligence agencies of your departments as relate to the national security and recommend to the National Intelligence Authority the establishment of such over-all policies and objectives as will assure the most effective accomplishment of the national intelligence mission.
  - \*c. Perform, for the benefit of said intelligence agencies, such services of common concern as the National Intelligence Authority determines can be more efficiently accomplished centrally.
  - "d. Perform such other functions and duties related to intelligence affecting the national security as the President and the National Intelligence Authority may from time to time direct.

- functions shall be exercised under this directive.
- of your departments as may be designated by the National Intelligence of your departments as may be designated by the National Intelligence Authority shall be freely available to the Director of Central Intelligence for correlation, evaluation or dissemination. To the extent approved by the National Intelligence Authority, the operations of said intelligence agencies shall be open to inspection by the Director of Central Intelligence in connection with planning functions.
- "6. The existing intelligence agencies of your departments shall continue to collect, evaluate, correlate and disseminate departmental intelligence.
- by an Intelligence Advisory Board consisting of the heads (or their representatives) of the principal military and civilian intelligence agencies of the Government having functions related to national security, as determined by the National Intelligence Authority.
- Directives, other departments and agencies of the Executive Branch of the Federal Government shall furnish such intelligence information relating to the national security as is in their possession, and as the Director of Central Intelligence may from time to time request pursuant to regulations of the National Intelligence Authority.
- making of investigations inside the continental limits of the United States and its possessions; except as provided by law and Presidential Directives.
- "10. In the conduct of their activities the Mational Intelligence Authority and the Director of Central Intelligence shall be responsible for fully protecting intelligence sources and methods."

On the initiative of the Executive Department, the United States for the first time in its history, launched a national intelligence organization. Its charter was written in broad terms, which enabled the embryonic agency to feel its evolutionary way and handle obstacles

Approved For Release 2002/10/31: CIA-RDP90-00610R000100180005-3 only in such order as it deems best. Many of the obstacles, however, were inherent in the charter under which the national intelligence system was to operate. The criterion of all NIA action was whether the action was necessary to the planning, development and coordination of Federal foreign intelligence activities so as to assure the most effective accomplishment of the intelligence mission related to the national security. The term "national security" if interpreted narrowly was considered by some to be an unfortunate limitation upon CIO because many national interests other than security can be served by a central intelligence agency submitting information to the policy makers within the Government.

The operating agency under the National Intelligence Authority, the Central Intelligence Group, was independent in name only because for all practical purposes the activities of CIG were subject to the budget heads of the three departments - State, War and Navy. Also, the agency had no employment rights, obtaining its personnel by assignment.

as a purely executive creature, a great deal of interest had developed in the Congress so that legislation was proposed creating a National Security Council and a Central Intelligence Agency. Studies made by the Senate Armed Services Committee "and all testimony received by it, shows the need for closer and continuous coordination on a high level within the Government of our domestic, foreign and military policies, for an appropriate intelligence organization to serve both military and civilian agencies of security..."

<sup>6.</sup> U.S. Code Congressional Service, 80th Congress, p. 1194, Senate Approved For Release 2002/10/31: CIA:RDP90-00610R000100180005-3

## 3. Background for Intelligence logislation

The postwar Congressional investigations into the Pearl Herbor disaster have been cited as one of the compelling reasons for the establishment of the Central Intelligence Agency. As a result of its investigation in December of 1916, the House Committee on Military Affairs issued "A Teport 12 The System Currently Employed In the Collection, Evaluation and Dissemination of Intelligence Affecting the War Potential of the United States", which recognized the need for strong intelligence as the "nation's first line of defense". The Committee made nine recommendations:

Recommendation 1: That the Mational Intelligence Authority, established on January 22, 1916, by Presidential directive, be authorized by act of Congress (This is designed to give the new authority a firmer base.)

Recommendation 2: That the Mational Intelligence Authority shall consist of the Secretaries of State, War, and the Navy, or deputies for intelligence. (The Secretaries are obviously too busy to give this highly important subject the attention it deserves.)

Recommendation 3: That the Central Intelligence Group receive its appropriations direct from the Congress. (At present the Group receives its appropriations as grants from the State Department, War Department, and the Mavy Department, an unwieldly and sometimes awkward procedure.)

Recommendation 4: That the Central Intelligence Group have complete control over its own personnel. (At present the Group receives drafts from the Departments of State, War, and Navy.)

<sup>7.</sup> House Report No. 2734, December 17, 1916

Recommendation 5: That the Director of the Central Intelligence Group be a civilian appointed for a preliminary term of 2 years and a permanent term of 10 years, at a salary of at least \$12,000 a year.

(A civilian would be less subject to the control or criticism of any military establishment, less likely to have ambitions in another direction, would be more in keeping with American tradition, would be more symbolic of the politico-military nature of the problem posed by intelligence in peacetime; furthermore, there is nothing to keep a qualified Army or Navy officer from accepting the post in civilian clothes, and there is every desire, by setting the tenure of office at 10 years and making the salary substantial, to make the post attractive to one who has learned intelligence thoroughly in the Army, Navy, or Foreign Service of the State Department. Continuity of service is recognized as very important.)

Recommendation 6: That the Director of the Central Intelligence Group be appointed by the President by and with the consent of the Senate.

Recommendation 7: That the Director of Central Intelligence shall (1) accomplish the correlation and evaluation of intelligence relating to the national security, and the appropriate dissemination within the Government of the resulting strategic and national policy intelligence, and in so doing making full use of the staff and facilities of the intelligence agencies already existing in the various Government departments; (2) plan for the coordination of such of the activities of the intelligence agencies of the various Government departments as relate to the national security and recommend to the National Intelligence Authority the establishment of such over-all policies and objectives as will assure the most effective accomplishment of the national intelligence mission; (3) perform, for the benefit of said intelligence agencies, such services of common concern related directly to coordination, correlation, evaluation, and dissemination as the National Intelligence Authority shall determine can be more efficiently accomplished contrally; (h) perform such other similar functions and cuties related to intelligence affecting the national security as the Congress and the National Intelligence Authority may from time to time direct. It is specifically understood that the Director of Central Intelligence shall not undertake operations for the collection of intelligence.

(This paragraph is intended to enable the Central Intelligence Group to concentrate on the analysis and evaluation of high-level intelligence for the President and others who have to determine national policy. One should not remove any intelligence operation from

the agencies where day-to-day policies and decisions have to be made; the collection and besic analysis in each field of intelligence should be assigned to the agency having primary responsibility in that field.)

Recommendation 3: That paragraphs 2, 4, 5, 6, 7, 8, 9, and 10 of the Presidential directive of January 22, 1946, relating to the establishment of a National Intelligence Authority be enacted into law, with such revisions in wording as may seem necessary.

(The President's directive was carefully prepared and had at the time of its publication, the support of the interested agencies.)

Recommendation 9: That the Army be requested sympathetically to examine further the question of the establishment of an Intelligence Corps for the training, development, and assignment of especially qualified officers.

In July 19h6, a draft of enabling legislation for a proposed central Intelligence Agency (CIA) was sent to the White House by the Central Intelligence Group. It called for a Mational Intelligence Authority (MIA) consisting of the Secretaries of State, Mar, and Navy, a personal representation of the President and the "Director of the Central Intelligence Agency" as a non-voting member. The MIA was to supervise the activities of CIA. It was provided that CIA was to be established "with a Mirector who shall be the head thereof." In Lecember a more detailed and comprehensive draft was submitted to the White House which reflected the experience gained after 10 months of operation under the 22 January Executive Order.

In proposing this legislation CIG attempted to overcome the unworkship features of its charter which quickly had become apparent. One of the most glaring of these features was the necessity for CIG to obtain personnel from the State, War, and Mavy Departments. It was not until well into the summer of 19hó that arrangements were made for CIG to hire personnel directly.

Budgetary problems also were very difficult to handle until agreement was

reached which established a working fund at the disposal of the Covernment Fortunately for CIG all of the departments and agencies of the Covernment and particularly the Eureau of the Budget, the General Accounting Office and the State, War, Navy, and Treasury Departments, were quick to realize the special administrative problems which arose in the administration and operations of an intelligence agency. They made possible the arrangements which enabled the agency to operate. However, the manner of administrative and logistical support was always considered to be of a temporary nature pending the passage of some form of military unification logislation.

One draft of enabling legislation had incorporated the term "with a Director of Central Intelligence who shall be the head thereof." This particular wording was the same as the terminology in the 22 January cirective and its apparent purpose then was to create a post with an official who was to be responsible for the centralized intelligence functions for the faceral government and who was to have an intelligence agency to assist him.

The wording "with a Director of Central Intelligence" remained and appeared in the eventual legislation; the position of Director of Central Intelligence was recognized from the beginning as being more than the head of the Central Intelligence Agency but rather as the Chief Intelligence Advisor in the government.

<sup>8.</sup> Report to honorable James Forrestal on Unification of the War and Tayle Department; Senate Committee Print, 79th Congress, 1st Session.

## 4. Congressional Committee Hearings

It must be remembered that in 1917, Congress and the President's Office were strongly influenced by the Pearl Harbor investigations which showed the need for an effective intelligence agency. This was stressed in House and Senate hearings on the National Security Act bill, and witness after witness testified as to value of centralized intelligence. It was also pointed out on numerous occasions that the provisions for a Birector of Central Intelligence and a Central Intelligence Agency would be simply a legislative recognition of the President's order of 22 January 1946. The basic role of the Director of Central Intelligence from 1946 was described by General Vandenberg in April 1947:

"The Director of Central Intelligence is presently charged with the following basic functions:

- l. The collection of foreign intelligence information of certain types without interfering with or duplicating the normal collection activities of the military and naval intelligence services, or the Foreign Service of the State Department.
- 2. The evaluation, correlation and interpretation of the foreign information collected, in order to produce the strategic and national policy intelligence required by the President and other appropriate officials of the Covernment.
  - 3. The dissemination of the national intelligence produced.
- 4. The performance of such services of common concern to the various intelligence agencies of the Government as can be more efficiently accomplished centrally.
- 5. Planning for the coordination of the intelligence activities of the Government so as to secure the more effective accomplishment of the national intelligence objectives." 9

<sup>9.</sup> Statement before the Committee on Expenditures in the Executive Department.

General Vandenberg also touched upon the responsibilities of the Director to the intelligence community:

"In order to perform his prescribed functions, the Director of Central Intelligence must keep in close and intimate contact with the departmental intelligence agencies of the Government. To provide formal machinery for this purpose, the President's Directive established an Intelligence Advisory Board to advise the Director. The permanent members of this Board are the Directors of Intelligence of the State, war, and Mavy Departments and the Air Force. Provision is made, moreover, to invite the heads of other intelligence agencies to sit as members of the Advisory Board on all matters which would affect their agencies. In this manner, the Board serves to furnish the Director with the benefits of the knowledge, advice, experience, viewpoints, and other over-all requirements of the departments and their intelligence agencies."

In its report to accompany HR 1211, the Mational Security Act of 1917, the House Committee on Expenditures in the Executive Department recognized the importance of the Central Intelligence Agency provision of the Act in relation to the coordination of United States policies in the foreign and military fields. The committee reported that, "In order that the Estional Security Council in its deliberations and advice to the President may have available adequate information, there is provided a Central Intelligence agency."

on 10 February 19h7, Mr. Allen Dulles submitted several comments to CIG on its enabling legislation. He wrote that consideration should be given to having the Director of Intelligence vote in MIA and malso to permit matters to be referred to the President . . . in case by any chance there should be a difference of opinion between the Director and the other numbers of the authority. Hr. Dulles also stated that reference to the conduct of Consign intelligence operations "centrally" does not have much meaning and suggested that it should be stated directly that the operations are to be carried on by the Central Intelligence Agency.

<sup>10.</sup> Approved For Release 2002/10/31 : CIA-RDP90-00610R000100180005-3

Specific reference to the organizational place of CIA and its position relative to the National Security Council and other agencies did not occur in the hearing conducted on the National Security Act bill, often.

Two of the more authoritive colloquies are included below. On 1 April 19h7, the Senate Armed Services Committee held a hearing on the National Security Act of 19h7 legislation at which Admiral Sherman and General Vandenberg testified. The following excerpts from the hearings:

SENATOR TYDINGS: . . . when you get down to the Central Intelligence Agency, which certainly is one of the most important of all the functions set forth in the bill, I notice that it reports directly to the President and does not seem to have any line running to the War Repartment, or the Navy Department, or to the Secretary for Air. And I was wondering if that rather excluded position, you might say, was a wholesome thing. It seems to me that the Central Intelligence Agency ought to have more direct contact with the Army and the Navy and the Air Force; and as I see it on the chart here, it is pretty well set aside and goes only to the President. What is the reason for that?

ADMIRAL SHERMAN: Well, sir, this diagram shows the primary control of the Central Intelligence Agency through the National Security Council which, of course, is responsible to the President. But, of course, the Central Intelligence Agency, by its detailed directive, takes information in from the military services and also supplies them with information.

In other words, it is a staff agency and controlled through the Mational Security Council, which is supported by the military services, and in turn, supports them.

SENATOR TYDINGS: It seems to me that of course they would diffuse such information as a matter of orderly procedure to the Army, Many, and Air Force, as they collected the information and us they deemed it pertinent. But I would feel a little more secure about it if there were a line running from that agency to the War Department, the Navy Department, and the Air Force, rather than have it go up through the President and back again. Because the President is a rather busy man, and while he has control over it, one of its functions, it seems to me, ought to be to have a closer tie-in with the three services than the chart indicates.

ADMIRAL SHERMAN: Well, sir, that is the trouble with the diagram. Actually, the Security Council, placed directly under it, has members of the three departments, the Secretary of National Defense, the Secretary Intelligence Agency, who collaborates very closely with Military and Naval Intelligence, and there are a good many other cross-relationships.

SINATOR TYDINGS: I realize that, but even so, I think intelligence is about as important a part of running a war as there is, as I know you will agree. And it is rather set off there by itself, and is only under the President; which is all right for general direction purposes, but I do not feel satisfied in having it over there without some lines running to the War Department, the Navy Department, and the Air Force, even though that might follow and they might do it anyhow.

ADMIRAL SHERMAN: Well, in a further development of this chart, we might show a line of collaboration and service and so on, extending from the Central Intelligence Agency to the three departments, and to these others.

SENATOR TYDINGS: To the Joint Chiefs of Staff, anyway.

APMIRAL SHERMAN: They serve the Joint Chiefs of Staff, as a untter of fact. We have a Central Intelligence (man) in the Policy Council of the Research and Development Board at the present time.

SENATOR TYDINGS: If you ever do another chart, will you do so the favor of connecting that up with those three departments and with the Joint Chiefs of Staff? Because it looks like it is set up in that way to advise the President, more than to advise the services and the Joint Chiefs of Staff; which, of course, is not the intention of it at all, in my opinion.

ADMIRAL SHERMAN: We tried, in this particular chart, to show only the primary line of control, with the exception of the dotted line from the President to the Joint Chiefs of Staff, which is there for constitutional reasons.

SENATOR TYDINGS: Well, I hope that my comments will cause us to find some way that we can make sure that someone will offer an amendment from the War Department or the Navy Department that the Intelligence Agency is to have direct tie-in with the Joint Chiefs and the Army, Mavy, and Air Force. Otherwise, we may have another Pearl Marbor controversy, with the question arising, "Who got the information?" And the reply, "It was not transmitted."

That is one thing that should not happen again.

And as this is set up, it would lend the layman the opinion that it was more or less detached, rather than an integral part of the three services.

planation, under the caption "Central Intelligence Agency," the way it is set up here, seperately, to be appointed by the President, and superseding the services now run by the Army and the Navy, I respectfully submit to you and to General Norstad that it might be wise to put an amendment in there, in order to make certain that the thing is understood; that this Central Intelligence Agency shall service the three departments and the Joint Chiefs of Staff, and have some tie-in with the three departments, rather than to leave it hanging up there on a limb all off it itself. I do not think that would change anything materially, but it would clarify it, and make it plain that we are setting up something for the purposes for which we conceive it to be set up.

ADMIRAL SHERMAN: Well, sir, I would like to make a comment on the language as to the Central Intelligence Agency. At one time in the drafting we considered completely covering the Central Intelligence Agency in the manner that it should be covered by law.

SENATOR TYDINGS: Admiral, my point is simply this: that under the wording as to the Central Intelligence Agency which begins on page 20 and ends at the top of page 22, it deals more or less with consolidation and not with the duties that devolve upon that office. It seems to me there is a void in the bill that ought to be eliminated.

ADMIRAL SHERMAN: Well, we considered the matter of trying to cover the Central Intelligence Agency adequately, and we found that that matter, in itself, was going to be a matter of legislation of considerable scope and importance.

On 25 April 1947 during a hearing of the House Committee on Expenditures in the Executive Department with Secretary Forrestal testifying the following remarks were made:

SECRETARY FORRESTAL. The only objection is again the general one of the limitations that could conceivably stop very prompt action.

MR. BOGGS. The Director of the Central Intelligence Agency would work under the National Security Council.

SECRETARY FORRESTAL. That is correct.

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MR. BOGCS. He is not a member of the National Security Council; he is an independent appointment of the President, but he works under, on this chart — he is not a member of the Council, the heavy line drawn here, but he is more or less an executive secretary on intelligence matters for the Council.

SECRETARY FORRESTAL. Well, it is obvious, Mr. Boggs, that the results of his work would be of essential importance to the Security Council.

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MR. DOGGS. I think so, and I agree with you, but the thought that I have in mind was that he should be a member of the Council himself. After all, he is dealing with all the information and the evaluation of that information, from wherever we can get it. It seems to me that he has knowledge and information of matters which the National Decurity Council would consider more information at hand and the evaluation of that information than any other member of that Council. He should be put on an equal basis.

SECRETARY FORRESTAL. I think that there is always some limit to the effectiveness of any organization in proportion to the number of people that are on it. The services and the intelligence information of the Director of Intelligence would be available, and certainly no man who is either the Secretary of National Defense or the Chairman of the Security Council, would want to act or proceed without constant reference to the sources available to this Central Intelligence Director. But again, I would not try to specify it by law, so confident am I that the practical workings out of this organization would require his presence most of the

MR. BOGGS. I can see — I do not know that I can see — I can visualize in my mind, even if this bill becomes a law, as presently not up, a great deal of room for confusion on intelligence matters. Have we have the Director of the Central Intelligence Agency, responsible so the National Security Council, and yet the Director is not a member of that Council, but he has to get all of his information down through the chain of the Secretary of National Defense, and all the other agencies of Government in addition to our national defense agencies, the Becretary of Agriculture, the Secretary of State, and so forth. I just cannot quite see how the man is going to carry out his functions there without a great deal of confusion, and really more opportunity to put the blame on somebody else than there is now.

SECRETARY FORRESTAL. Well, if you have an organization, Mr. Moggs, in which men have to rely upon placing the blame, and this is particularly true of Government, if you once get that conception into their heads, you cannot run any organization, and it goes to the root, really, of this whole question. This thing will only work, and I have said from the beginning it would only work, if the components in it want it to work.

MR. BOGGS. Right, I certainly agree with that. How, sir, in the event this bill becomes a law, will it require very much additional legislation to implement it and make it effective, in your opinion?

SECRETARY FORRESTAL. Well, I would think there should be an examination of all laws that deal with the establishment of the War Department and the Navy Department, and a dusting off, so to speak, of their functions in consonance with this legislation, if it is passed.

# 5. Debates Amproved Far Release 2002/10/31 : CIA-RDP90-00610R000100180005-3

There was little opposition in the Congress to the plan for a central intelligence service. Several Congressmen pointed out that the intelligence agency provisions in the various unification bills were the most important parts of the unification legislation. However, there was a great deal of discussion particularly in committee on whether or not the Director should be chosen from one of the Armed Services or whether he should be a civilian. The Senate Bill provided that the Director of Central Intelligence was to be appointed from the armed services or from civilian life. A House amendment provided that the director of Central Intelligence be appointed from civilian life. The reason most often given for the House amendment was that it was a step taken to prevent the Central Intelligence Agency from becoming a "Cestapo-type organization." The Senate-House conferees adopted the Senate version but with several conditions limiting the connections with his service of a Director chosen from the military services.

The following excerpts pertaining to the formation of Central Intelligence Agency are taken from the debate on the unification legislation. In the House on 19 July 1947:

Mr. WADSWORTH: . . . In addition, under the Council there would be another element which is to advise the Council, subject to regulations made by the Council, in the field of Intelligence, in the foreign field; and there is established a central intelligence agency subject to the Council headed by a director.

The function of that agency is to constitute itself as a gathering point for information coming from all over the world through all kinds of channels concerning the potential strength of other nations and their political intentions. There is nothing secret about that. Every nation in the world is doing the same thing. But it must be remembered that the Central Intelligence Agency is subject to the Council and does not act independently. It is the agency for the collecting and discominating of information which will help the President and the Council to adoptwise and effective policies.

So with the information of that sort concerning other nations and information coming in with respect to our own resources, both of which are available to the Council and President, we will have for the first time in our history a piece of machinery that should work and it is high time that we have it. We have never had it before. During this last war all sorts of devices were resorted to, obviously in great haste, to accomplish a thing like this. You may remember the huge number of special committees, organizations and agencies set up by Executive Order in an attempt to catch up with the target. We have learned as a result of the war that we should have some permanent organization, and that is the one proposed in this bill.

Mr. KFRSTEN of Wisconsin: It seems to me from what the gentleran has said that the Central Intelligence Agency is one of the very important parts of this entire set-up. I wish to ask the gentleman if there is a definite coordination provided for between that Agency and, say the Department of State? For I feel that certain information of the Agency would affect the activities of the entire system.

Mr. WADSWORTH: The gentleman is correct. May I point out that under the provisions of the bill the Central Intelligence Agency in effect must cooperate with all the agencies of the Government, including the State Department. It is the gathering point of information that may come in from any department of the Government with respect to the foreign field, including the State Department, of course; including the War Department, through G-2; including the Navy Department, through CHI. That information is gathered into the central agency to be evaluated by Central Intelligence and then disseminated to those agencies of Government that may be interested in some portion of it. 12

Mr. SIEPPARD: . . . On the next level above the National Military Establishment there is provided the National Security Council with the President as chairman, which will effectively coordinate our domestic and foreign policies in the light of sound information furnished by the Central Intelligence Agency, and with the knowledge of our rampower and material capabilities derived from the National Security Resources Board. 13/

Mr. PRICE: ... As such, it is administrative unity, in the interest of coordinating the total war effort of the Nation, because in addition to putting an Army, a Navy and an Air Force under the direction of a single administrative Secretary of Defense, it places a Mar Council, the Joint Chiefs of Staff, the Munitions Board, a Research and Development Board, the Central Intelligence Agency, and other such departments in the National Defense Establishment.

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| 93 11/<br>CR 9563        | CR 9573                   |
|                          | 93 <u>11</u> /<br>GP 9585 |
| 93 <u>12/</u><br>CR 9565 | GP. 9585                  |
| CR 9565                  |                           |

Mr. JUDD: . . . Now, that sounds all right, but all of us, being Approved EngRelease 12002 to 3 that ARBP 30005 to 1000 18000 1 to 1000 18000 1 to 1000 18000 1 to 1000 18000 18000 1 to 1000 180000 18000 18000 18000 18000 18000 18000 18000 18000 18000 18000 18000 18000 18000 1

The man who had charge of our secret intelligence in Germany during the war was a civilian, Mr. Allen Dulles. He did such an extraordinary job that he was in contact with the top men in Hitler's secret service. Hitler had to execute his top five men because they were double-crossing him and playing ball with our people. Mr. Dulles told us that the man that takes this job ought to go into it as a man who goes into a monastery. He ought to take it as J. Edgar Hoover has taken the PEH job - make it his life's work. He certainly ought to be cut completely loose from any ties or responsibilities or consections with any other branch of the Government - civil or military - except the President and the National Security Council.

Mr. MANASCO: . . . Mr. Chnirman, this section on central intelligence was given more study by our subcommittee and by the full committee than any other section of the bill. It was a most difficult section to write. All of us had the same objective in view, yet we had different ideas on it. I think personally that the compromise we reached adequately protects the position. Eventually I certainly trust that the head of this intelligence agency will be a civilian who is trained in the agency. It takes years to train that type of man. Some will tell you that the present director is not adequately trained; that is true. We do not have any man in the United States who had adequate training today to do this kind of work because unfortunately the United States has never gone in for the right kind of intelligence. If we had had a strong central intelligence organization, in all probability we would never had had the attack on Pearl Harbor; there might not have been a World Var II. Many witnesses appeared before our committee. We were swork to secrecy, and I hesitate to even discuss this section because I am afraid I might say something, because the CONCRESSIONAL RECORD is a public record, and divulge some information that we received in that committee that would give aid and comfort to any potential emeny we have. For that reason I am even reluctant to mention the testimony. I hope the corrittee will support the provision in the bill, because the future security of our country in a large measure depends upon the intelligence we get. Host of it can be gathered without clandestine intelligence, but some of it must be of necessity clandestine intelligence. The things we say here today, the language we change, might endanger the lives of some American citizens in the future.

I think you can rely on the patrictism of men like the gentleman from New York (Mr. WADSWORTH), the gentleman from Massachusetts (Yr. McCOFMACK), the gentleman from California (Mr. HOLIFIFID), the gentleman

93 <u>15/</u> CR 9605

from Michigan (Mr. HOFFMAN). We did our best to work out language here that would protect that position and keep from building up a so-called military hierarchy. A bill will be introduced soon after this legislation becomes law that will be referred to the Committee on Armed Services, where more study can be given to this most important subject.

Mr. EUSPEY: . . . The main point in the amendment offered by the gentleman from Minnesota (Mr. JUDD) is permanency and the effort to the work toward a civilian head who is not influenced by any department of our Military Establishments. 17/

Mr. FATTERSON:... Ir. Chairman, I should like to direct myseld now to section 105 concerning the Central Intelligence Agency, to which section my proposed amendment relates. The amendment, in effect, provides that a civilian shall head this Intelligence Agency rather than allowing a choice of a civilian or a military man. It also provides that the powers granted the Central Intelligence group under the President's Executive order shall pass on to the Mational Security Council as was designated in the bill which passed the other body on 9 July.

The amendment further provides that the authority and functions of the Central Intelligence Agency shall be those which were designated under the President's Executive Order. As this section is now constituted, the Director of the Intelligence Agency to be chosen by the President, with the consent of the Senate, may be either a civilian or an officer of the armed services. I feel that it is extremely undesirable to have as head of this agency, in a position which sakes it incombent upon him to coordinate intelligence reports from the various services, a member of one or the other services. A civilian in this position would not be subject to a cry of discrimination or favoritism and would, therefore, be in much better position to be completely objective in discussion. The portion of this amendment which related to the granting of powers under the President's Executive order to the Mational Security Council retains at least a semblance of power within this agency to effectively corelate, evaluate, and dissminate information which is gathered by other intelligence services.

By confining its powers to this authority, we therefore, effectively deny to the Central Intelligence Agency the power to interfere with the work personally being done by established services in this field.

I refer you, Mr. Chairman, to the House Report No. 273% of the Seventy-ninth Congress, which is a report on the intelligence section of our national war effort and which includes recommendations made by the House Conmittee on Military Affairs at that time. While the mistakes of World War II are still fresh in our minds, the cormittee undertook a survey to determine what our policy on national intelligence should be. Their recommendations are not wholly carried out in the measure here contemplated; but the gains made since their report would be consolidated by adoption of this amendment.

93 16/ 93 17/ 21 Approved Forus 2002/10/31 : CIA-RDP90-00610R000100180005-3

I feel, Mr. Chairman, and I cannot stress it too strongly, that what is needed is an independent intelligence agency, working without direction by our armed services, with full authority in operational procedures.

However, it seems impossible to incorporate such broad authority into the bill now before us - so consequently I support the amendment which has now been offered. To do less that this would be to wreck what little has been done to strengthen our intelligence system. I feel that it is very important for the security of our Nation, at a time when our security is more and more threatened, to grant adequate authority to the Central Intelligence Agency.

In conclusion, Mr. Chairman, I do want to commend the gentleman from Michigan (Mr. HOFFMAN) and the other members of his committee for their ardent work and fairness in reporting this measure. 18

Mr. JUDD: . . . The Director of Central Intelligence is supposed to deal with all possible threats to the country from abroad, through intelligence activities abroad. But without this amendment he will have not only the results of the FBI's intelligence activities here at home, but also the power to inspect its operations. I do not believe that if we had realized the full import of this language when we were studying it in committee we would have allowed it to stand as it is. Surely we want to protect the Atomic Energy Commission and the FBI from the Director of Central Intelligence coming in and finding out who their agents are, what and where their nets are, how they operate, and thus destroy their effectiveness. 19

Mr. HOLIFIELD: . . . I do not think it is necessary for him to inspect the operations in order to set up his own intelligence unit in the way that he wants to, and I point out that the National Security Council is composed of the Secretaries of State, of National Defense, of the Army, the Navy, and the Air Force, and the National Security Resources Board, the Central Intelligence Agency; so it seems to me that the protection of the National Security Council is a check and the President is a check. I hardly think that the man could exceed his authority. 20/

Mr. BUSHEY:...In reference to the gentleman from California (Mr. HOLIFIELD), when he states that we can assume that this National Security Agency will do this and do that, I just wish to remind the membership that the trouble in the past with legislation has been that we have not taken the time to spell out these little details. It is these assumptions we have had that have gotten us into trouble. I think it is very important that the gentleman's amendment be adopted. 21/

| 93 <u>18/</u> | 93 <u>20/</u>   |
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| CR 9608       | CR <u>9</u> 609 |
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| 93 <u>19/</u> | 93 <u>21</u> /  |
| CR 9608       | CR 9609         |
| CR 9608       | CR 9609         |

In the Senate on 9 July 1947:

Mr GURNEY: . . . The bill also provides for a National Security Council, a Central Intelligence Agency, and a National Security Resources Board, all of which report directly to the President, but which also work closely with the agencies under the Secretary of National Security. 23/

Mr. GURNEY: . . . As an important adjunct to the National Security Council there is provision for a Central Intelligence Agency, which fills a long recognized demand for accurate information upon which important decisions relating to foreign and military policy can be based. 24/

During the unification hearings, Admiral Sherman said that the Central Intelligence Agency was not adequately covered in the merger bill and in the debate on the House bill Mr. McCormick pointed out that:

"We felt, since enabling legislation was going to come in later from another standing committee of the House . . . the question that would arise in connection with this Central Intelligence Agency, should be left to the standing committee, and that our committee should try to meet the immediate problem."

22/ CR 8671 23/ CR 81,62 21/ CR 81,66

23

The "immediate problem" was solved by the passage of the National Security Act of 1947, which was signed by President Truman on 26 July 1947. 25/6. CIA Enabling Legislation.

Enabling legislation defining the authorities of a Central Intelligence Agency and establishing certain procedures for its administration had been prepared soon after the CIG was formed, but with the emphasis in 1947 on the passage of the armed forces merger legislation with its central intelligence provisions, the effort devoted to enabling legislation for CIA slackened. However, the need for such legislation became more and more acute. In April of 1947, before the passage of the National Security Act, a draft of enabling legislation was presented to the House Committee on Expenditures, but it was not until the next year that a serious effort was made to enact CIA legislation.

On 24 February 1948, the Director, Rear Admiral Hillenkoetter appeared before the Hourse Committee on Armed Services and answered affirmatively the Committee's question of whether legislation in addition to the National Security Act of 1947 was necessary. On 13 March, after approval by the Unite House, drafts of a proposed bill to provide for the administration of the Agency were submitted by CIA to the Chairman of the Senate Armed Forces Committee and the Speaker of the House. 26/ Senator Gurney introduced on the same day 5.236, a bill "to provide for the administration of the Central Intelligence Agency established pursuant to section 102, National Security Act of 1947, and for other purposes." A bill with the same title, H.R. 5871, was introduced on 16 March in the House and referred to the Committee on Armed Services. The full committee approved the bill on h May. 27/

<sup>25/
61</sup> Stat. 495 27/ House of Representatives 80th Congress, 2nd Session 1913.
26/ Central Intelligence Act of 1948
Report to Accompany as 2002/10/34: Congress 2002/10/34: Congr

A new Senate Hill differed from the House version (H.R. 5871) in the following particulars: (1) Section 6(a) of the Senate Bill read: "Transfer to and receive from other Government agencies such sums as may have been approved by the Bureau of the Budget and appropriated . . . ." (2) Section 7(a)(1) of the Senate Bill included the phrase "personal services without regard to limitations on types of persons to be employed instead of the phrase "employment of aliens" because the Committee throught, for reasons of security, that the word "aliens" should not appear in the law although it was the intent of the Committee that CIA employ aliens where necessary. (3) Section 7(b) which formerly read "of sums made available to the Agency such amounts as may be appropriated by the Bureau of the Budget may be expended . . ."

Senate Report 1302 accompanying the bill states on page 3: "...and that such funds may be expended without regard to the provisions of law applicable to Government funds." This was a change from the original draft of the report which read: "...and that a portion of such funds..."

The bill was passed over three times in the Senate, finally coming to for debate on 21 June. An amendment was offered by Senator HcMahon striking out section 7(b) of S.2688 which gave the Agency authority to expend confidential funds. The Congress adjourned, however, with no further action on the CIA legislation.

On 15 December 1948, the Agency presented a draft of legislation to the Budget Bureau which, after suggesting changes, advised CIA on 9 February 1949 that it would have no objection to the Agency sending the revised draft to the Blst Congress. On 11 February the drafts were sent to Congress with an explaination that it was substantially the same as 5.2688 and N.R. 5871

Approved For Release 2002/10/31: CIA-RDP90-00610R000100180005-3 introduced in the 80th Congress.

Debate with a suspension of rules on the bill took place on 7 March 1949. Mr. Marcantonio provided the major opposition to the bill in debate, basing his argument on such issues as the secrecy imposed with deprived Congressman of a full explaination of the bill, the danger to civil liberties, the inappropriatness of confidential funds and the undesirability of the alien provisions. Mr. Celler also objected to the alien provisions mainly on jurisdictional grounds. The bill passed 348 for and h against.

The jurisdictional issue of the alien provision was of some concern in the Senate. Senator McCarren on 11 March interposed an objection to the consideration of the bill probably because the Judiciary Committee of which he was chairman had not been given the bill for consideration. After a meeting with the Director at which the Director explained the alien provision and agreed to furnish the Senator with a regular confidential report on the number of aliens brought in under it, Senator McCarran withdrew his objections and wrote to Senator Lucas that he would support the bill.

The Senate Committee on Armed Services reported out H.R. 2663 on 10 March 28/
19h9. In the debate on 27 May 19h9, Senator Langer provided most of the opposition to the bill based mainly on the secrecy surrounding the bill and the alien provisions in it. He offered two amendments which were accepted, one to provide that CIA employees while in the continental United States on leave shall not be available for employment except by CIA, and an other requiring a determination by the Commissioner of the Immigration Service as well as by the Director of Central Intelligence and the Attorney Ceneral before the admission of certain aliens to the United States for permanent residence without regard to the immigration laws, was granted.

<sup>28/</sup> C.R. 27 May 1919 Refease 2002/10/31 : CIA-RDP90-00610R000100180005-3

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Senator Johnson also voiced some objection to the bill but announced he would vote for it. He was concerned that CIA would have "sweeping powers which are being vested in the military through this piece of legislation." The Senate passed H.R. 2663 as amended by a voice vote. On 6 June the Conference Committee reported agreement on the amendments and on the same day the lenate adopted the Conference Report and on the following day after a short debate in which Mr. Marcantonio again opposed the measure and Mr. Walter again spoke on the alien provision the House passed H.R. 2663, as amended. President Truman signed the Central Intelligence Act on 20 June 1919.

#### 7. CENTRAL INTELLIGENCE AGENCY AUTHORITIES

#### a. Executive

The Central Intelligence Agency is organized within the Executive Franch of the Government, and it is responsible to the National Security Council, the function of which is to advise the President with respect to the integration of denestic, foreign, and military policies relating to the national security so as to enable the military services and the other departments and agencies of Government to cooperate more effectively immatters involving national recurity.

The President, as the "sole organ of the Federal Government in the field of international relations," has at his command the executive power of the Government. Under this power, theoretically he is beyond the reach of any other branch of the Government except in the mode prescribed by the Constitution—through the impeaching power — and he administers his branch to that he can most effectively discharge his duties. The National Intelligence Authority was

<sup>27</sup> 29/ Intelligence Activities, A report to the Congress, June 1955. 30/ U.S. v Curtiss Wright; 299 US 304 (1935). 31/ Kendall v U.S., 1838; 37 US 524 at 610.

founded and the Central Intelligence Group was formed by Presidential Directive in 1946 to assure the most effective accomplishment of the intelligence mission related to national security which is a matter considered within the Executive 32/purview.

It was recognized at an early date in our history, however, that efficers in the Executive Branch were not under the exclusive direction of the President. Duties and responsibilities grow out of and are subject to the control of the law, and not only to the direction of the President, who must see to it, however, that the laws are faithfully executed.

#### b. Congress

Congress has seen to it that the President has considerable help available for his administrative burdens. In the development and implementation of major policies he has the assistance of various offices created by acts of Congress. The Mational Security Act of 19h7 was one of these as was the Central Intelligence Agency Act of 19h9.

The provisions of the National Security Act are a recognition by the Congress of the highly sensitive nature of Government intelligence activities. The "availability of intelligence of the highest order to the President and to the National Security Council is an essential element in the formulation of the foreign policy of the United States, and in the conduct of foreign relations by the President in carrying out that policy." Vis-a-vis its appropriation and investigative function, Congress is concerned with the operation of agencies within the Executive Branch. CIA is aware of its position of being dependent on Congress for its legislation and its existence

<sup>32/</sup> Views of Mr. Hayden, Senate Report No. 1570. Committee on Rules and Administration; 8hth Congress, 2nd Session, 1956. Report of the U.S. Senate "Joint Committee on Central Intelligence"; pp 26-27.

<sup>33/</sup> Kendall v U.S., supra at 610.
34/ See note 16, supra. 28
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but with its obvious security problems Er. Allen Dulles, the Director, has stated: "In intelligence you have to take certain things on faith. You have to look to the man who is directing the organization and the results he achieves. The Armed Services and Appropriations Cormittee of both Houses have exercised jurisdiction over CIA. As a result the Armed Services Committees of the Senate and the House have continuously maintained "supervision over the operations of CIA to an entirely adequate degree. Pressure for a CIA Watchdog Committee of Congress arises periodically but has never been voted.

As an executive agency, CIA is under the control of the President, but Congress in the National Security Act of 1917 prescribed that CIA "is established under the National Security Council." Furthermore, according to the Act, for the purpose of coordinating intelligence activities the Central Intelligence Agency is given certain duties to perform under the direction of the NiC.

Section 102(d)(5) of the National Security Act of 1917 is a catch-all provision with rather broad implications stating that CIA shall "perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct."

Taken out of context without knowledge of its history, this section could bear almost unlimited interpretation, provided the service performed could be shown to be of benefit to an intelligence agency or related to national intelligence. A review of the Congressional debates, however, indicates that when CIA was first proposed Congress was primarily interested in an

<sup>35/</sup> United States News and World Report, 19 March 195h at page 67.
36/ Hayden op. cit. supra at 23.
37/ Intelligence Activities, A Report to the Congress, June 1955.

### THE CENTRAL INTELLIGENCE AGENCY

The United States has carried on intelligence activities since the days of George Washington, but only since World War II has this work been systematized on a government-wide basis.

The organization first formed for this purpose was authorized in a letter dated January 22, 1946, in which President Harry S. Truman directed the Secretary of State (James F. Byrnes), the Secretary of War (Robert P. Patterson), the Secretary of the Navy (James V. Forrestal), and his own personal representative (Admiral William D. Leahy), to constitute themselves as the "National Intelligence Authority." The Authority was instructed to plan, develop, and coordinate "all Federal foreign intelligence activities" in order to accomplish "the intelligence mission related to the national security." The members of the Authority assigned persons and funds from their departments to form the "Central Intelligence Group" which assisted the Authority in this task. The "Group" was directed by a "Director of Central Intelligence" appointed by the President.

The National Intelligence Authority and its operating component, the Central Intelligence Group, were in existence for twenty months in 1946 and 1947. Under the terms of the National Security Act of 1947 (which became effective September 18, 1947), they were superseded by the National Security Council and the Central Intelligence Agency.

The first Director of Central Intelligence was Rear Admiral Sidney W. Souers, U. S. Naval Reserve, who served as head of the

Central Intelligence Group from January 22, 1946, to June 10, 1946.

The next was General Hoyt S. Vandenberg, U. S. Air Force, who served from June 10, 1946 until May 1, 1947. He was succeeded by Rear Admiral Roscoe H. Hillenkoetter, who served as head of the Group from May 1, 1947 until it became the Central Intelligence Agency in September 1947, and then as head of the Agency until October 7, 1950.

General Walter Bedell Smith succeeded Admiral Hillenkoetter on October 7, 1950 and served as Director until February 9, 1953.

Mr. Allen Welsh Dulles, the present Director of Central Intelligence, was nominated by President Eisenhower on February 10, 1953, confirmed by the Senate on February 23, and sworn into office on February 26, 1953.

The responsibilities of the Central Intelligence Agency derive directly from several acts of Congress, notably the National Security Act of 1947 (Public Law 253, July 26, 1947). Section 102 of that Act provides that CIA shall:

- (1) advise the National Security Council with respect to governmental intelligence activities related to the national security;
- (2) "correlate and evaluate intelligence related to the national security;"
- (3) perform "services of common concern" for the benefit of existing intelligence agencies; and
- (4) perform "other functions and duties" as directed by the National Security Council.

The Act further provides that:

(1) the Agency shall have access (under certain limitations) to all intelligence in the possession of the Government;

- (2) the Agency "shall have no police, subpena, law-enforcement powers, or internal security functions;" and
- (3) "the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure."

Section 102 of the National Security Act (as amended April 4, 1953) provides that:

"at no time shall the two positions of the Director and Deputy Director be occupied simultaneously by commissioned officers of the armed services, whether in an active or retired status."

The "Central Intelligence Agency Act" of 1949 (Public Law 110, June 20, 1949) supplemented the National Security Act with respect to the Central Intelligence Agency as follows:

- (1) permitted procurement by the Agency without advertising under certain circumstances;
- (2) made provision for training and education of Agency personnel;
- (3) provided for special travel allowances and related expenses required by the Agency;
- (4) made special allowances for transfer of funds between the Agency and other governmental agencies;
- (5) made an exception to statutory prohibitions by permitting the Agency to employ up to fifteen retired officers of the armed services;
- (6) permitted the Agency to withhold publication of "titles, salaries, or numbers of personnel employed by the Agency;"
- (7) granted the Director of Central Intelligence authority to approve the entry into the United States of certain aliens and their families, subject to the concurrence of the Attorney General and the Commissioner of Immigration and Naturalization; and
- (8) gave the Director authority to expend funds "without regard to the provisions of law and regulations relating to the expenditure of Government funds" on a voucher certified by him alone.

A further act of 1956 (the Federal Executive Pay Act, Public Law 85h) established the annual basic compensation of the Director and the Deputy Director of Central Intelligence at \$21,000 and \$20,500, respectively.

The Director of Central Intelligence, in addition to heading the Central Intelligence Agency, serves ex officio as chairman of the United States Intelligence Board, which is an interdepartmental body representing the ten U. S. agencies having intelligence responsibilities. This Board consists of the Director of Central Intelligence; the heads of the intelligence organizations in the Army, Navy, Air Force, State Department, and Atomic Energy Commission; and representatives of the Secretary of Defense, the Joint Chief of Staff, the National Security Agency, and the Federal Bureau of Investigation.

Acting in consultation with that Intelligence Board, the Director of Central Intelligence makes recommendations to the National Security Council concerning the intelligence structure of our government as a whole. Similarly, after coordination with that Board, the Director regularly presents to the National Security Council "National Intelligence Estimates" prepared by the Central Intelligence Agency working with representatives of other governmental intelligence organizations. These estimates cover specific foreign situations of national security concern, or the world situation generally. They may embody a unanimous opinion, or may contain dissenting views by one or more of the participants.

Various "services of common concern" are provided by the Central Intelligence Agency to the U.S. intelligence organization generally. It conducts independent research in fields of economic and scientific intelligence; monitors foreign news and propaganda broadcasts; and collects intelligence abroad. It also provides specialized library and translation services, including both mechanized and manually manipulated data-processing facilities, to the various elements of the U.S. intelligence organization.

CIA's facilities and techniques for the indexing, abstracting, translation, storage, and retrieval of information and data have been praised as "the most comprehensive information system now in operation." by the Committee on Government Operations of the U. S. Senate, in its Report of May 24, 1960 entitled "Documentation, Indexing, and Retrieval of Scientific Information." Among the features of this system described at length in that Report (pp. 16 ff., 62 ff.) are specialized miniature photography, facsimile-printing devices, punch cards extending to more than 40 million, and machine-translation computers that are applicable, for example, to high-speed rendering of Russian texts into English at the rate of 30,000 words an hour.

Applicants for Central Intelligence Agency employment are given a full security investigation after they have been approved, following preliminary tests. Out of every thousand applications for employment, some 80% are screened out by the personnel officials; the remaining 20% are turned over to security agencies for investigation. Of this 20%, some 11% are eliminated as a result of security

investigation because they drink too much, talk too much, have relatives behind the Iron Curtain which may make the applicants subject to foreign pressure; for serious security reasons, h% of this ll% are screened out. These latter are individuals who have contacts that render them undesirable for service in this highly sensitive Agency.

The Central Intelligence Agency does not duplicate and rival the existing intelligence agencies of State, Army, Navy, and Air Force. It makes maximum use of the resources of existing agencies. It helps put an end to unnecessary duplication.

The Central Intelligence Agency is part of the complex of departments within the Federal Government that are responsible for the security of the nation. The organization and structure of the Government in this whole area reflect a recognition of the close relationship between diplomatic, military, and other elements of foreign policy. Within this national security area, the Central Intelligence Agency is the organization which insures that the information flowing to the President and his principal advisers on foreign policy—the National Security Council—is timely, consistent, and complete; and which brings together the judgment of intelligence officers in all departments on the major issues of fact and interprets them for the benefit of the President and the National Security Council.

The Director of Central Intelligence is the principal adviser to the President and the National Security Council on all matters of intelligence related to the national security. He constantly studies the intelligence structure of the government to determine that each part is properly geared to the national intelligence effort. His responsibility requires solution of problems common to large governmental agencies, while coping with an additional problem of secrecy common to few other agencies.

Because of this secrecy--required by law and by considerations of national safety--the Central Intelligence Agency does not confirm or deny published reports, whether good or bad; never alibis; never explains its organization; never identifies its personnel (except for the few in the top echelons); and will not discuss its budget, its methods of operations, or its sources of information.

Although its activities are not subject to public inspection and review, the Central Intelligence Agency is, of course, directly accountable to Presidential authority and control. This accountability is exercised in a number of ways, notably through the National Security Council, which is privy to CIA's activities and programs generally, and by the President's Board of Consultants on Foreign Intelligence Activities, which was established in February 1956 (by Executive Order 10656) in accordance with a recommendation of the Hoover Commission that the President be served by a special review committee. Finally, on appropriations and related legislative matters, the Director of Central Intelligence has regular contact with the several standing committees of the Congress involved, particularly the House and Senate Appropriations Committees, the

House and Senate Armed Services Committees, and their respective subcommittees dealing with CIA affairs.

President Eisenhower, speaking on November 3, 1959 on the occasion of the cornerstone laying at CIA's new headquarters building at Langley, Virginia, characterized CIA's work as follows:

"...In war nothing is more important to a commander than the facts concerning the strength, dispositions and intentions of his opponent, and the proper interpretation of those facts. In peacetime the necessary facts are of a different nature. They deal with conditions, resources, requirements and attitudes prevailing in the world. They are essential to the development of policy to further our long term national security and best interests. To provide information of this kind is the task of the organization of which you members of CIA7 are a part.

"No task could be more important.

"Upon the quality of your work depends in large measure the success of our effort to further the nation's position in the international scene.

"By its very nature the work of this agency demands of its members the highest order of dedication, ability, trustworthiness and selflessness—to say nothing of the finest type of courage, whenever needed. Success cannot be advertised: failure cannot be explained. In the work of Intelligence, heroes are undecorated and unsung, often even among their own fraternity. Their inspiration is rooted in patriotism—their reward can be little except the conviction that they are performing a unique and indispensable service for their country, and the know-ledge that America needs and appreciates their efforts. I assure you this is indeed true.

"The reputation of your organization for quality and excellence, under the leadership of your Director, Mr. Allen Dulles, is a proud one. ..."

\* \* \* \*

#### ALLEN WELSH DULLES

Allen Welsh Dulles became Director of Central Intelligence on February 26, 1953. Among the principal reasons for his appointment were his extensive knowledge, both theoretical and practical, of world affairs and diplomacy; his knowledge of law, particularly international law; and his unusual breadth of experience in the field of intelligence.

After receiving the degree of A.B. from Princeton University in 191h, Mr. Dulles travelled in the Far East. He taught English in Allahabad, India, before returning to study at Princeton for his M.A., which he received in 1916. From that year until 1926, Dulles was a member of the United States Diplomatic Corps, stationed in Vienna, Bern, Berlin, Constantinople, and Washington. He was also a member of the American Commission to negotiate peace at the Paris Peace Conference in 1918-19. He was a U.S. delegate to two Geneva peace conferences, the Arms Traffic Conference (1925), and to the Preparatory Disarmament Conference (1926). He also served as legal adviser to the U.S. delegations to later Geneva conferences—the Naval Conference in 1927, and the Disarmament Conference in 1932-33.

In 1926 Mr. Dulles resigned from the diplomatic corps, received the degree of LL. B. from George Washington University, Washington, D.C., and joined the law firm of Sullivan and Cromwell in New York, of which his brother, John Foster Dulles, was a member.

In 19h2, General William J. Donovan selected Allen W. Dulles for a key position in the Office of Strategic Services. From

October 1942 until VE Day, Mr. Dulles was chief of OSS in Switzer-land, and in this capacity was given much of the credit for the surrender of German troops in northern Italy in 1945. He remained with OSS until November 1945 as head of its German mission.

For his wartime service, Mr. Dulles received from the U. S. Government the Medal for Merit and Presidential Citation, and the Medal of Freedom. The Order of Maurizio e Lazzaro was awarded by Italy; the Legion of Honor, rank of officer, by the French government; and the Belgian Cross of Officer of the Order of Leopold by the Belgian government.

The citations rendered with two of the American decorations contain a summary of Dulles's wartime work. His citation with the Medal of Freedom presented by the War Department reads as follows:

"Mr. Allen Dulles, as Chief of the German Mission and Senior Strategic Services official in Switzerland from February to May 1945, was largely responsible for the evaluation and dissemination of intelligence that the German Army was eager to effect a surrender. He was instrumental in arranging a meeting between German and Allied representatives and thereafter served with outstanding success as consultant and intermediary in the negotiations which led to the signing of the instrument of unconditional surrender of the German troops in Italy."

His citation for the <u>Medal for Merit</u>, signed by President Truman on July 18, 1946, reads as follows:

"ALLEN W. DULLES, for exceptionally meritorious conduct in the performance of outstanding services as chief of the foremost undercover operations conducted by the Office of Strategic Services on behalf of the United States Government from November 1942 to October 1945. Mr. Dulles, within a year, effectively built up an intelligence network employing hundreds of informants

and operatives, reaching into Germany, Yugoslavia, Czechoslovakia, Bulgaria, Hungary, Spain, Portugal, and North Africa, and completely covering France, Italy, and Austria. He assisted in the formation of various Maquis groups in France and supported the Italian partisan groups both financially and by pin-pointing airdrops for supplies. The exceptional worth of his reports on bombing targets and troop movements both by land and sea was recognized by diplomatic, military, and naval agencies of the United States Government. Particularly notable achievements by Mr. Dulles were first reports, as early as May 1943, of the existence of a German experimental laboratory at Peenemunde for the testing of a rocket bomb, his report on the flooding of the Belgian and Dutch Coastal areas long before similar information came in from other sources, his report on rocket bomb installations in the Pas de Calais, and his reports on damage inflicted by the Allied Air Forces as a result of raids on Berlin and other German, Italian, and Balkan cities, which were forwarded within two or three days of the operations. Mr. Dulles by his superior diplomacy and efficiency built up for the United States enormous prestige among leading figures of occupied nations taking refuge in Switzerland. He carried out his assignments in extremely hazardous conditions, and despite the constant observation of enemy agents was able to fulfill his duties in a manner reflecting the utmost credit on himself and his country. After the German collapse, Mr. Dulles headed the Office of Strategic Services Mission in Germany, which supplied highly important and essential intelligence to American Military Government, occupation, and diplomatic offices in the difficult post-hostilities period. His courage, rare initiative, exceptional ability, and wisdom provided an inspiration for those who worked with him and materially furthered the war effort of the United Nations."

After the war, in addition to carrying on his law practice, Mr. Dulles served as a government adviser, particularly in matters having to do with foreign aid and German policy. He was also active (as he had been since the late 1920's) with the Council on Foreign Relations of which he became president in 1946. In 1948 he was appointed Chairman of a three-man committee to survey the United States intelligence system. In this capacity he gained a

thorough understanding of the Central Intelligence Agency as it had developed to that time. Mr. Dulles joined the staff of CIA Director Walter Bedell Smith in the fall of 1950.

An idea of Soviet Russia's opinion of the Director of Central Intelligence is reflected in a statement by Ilya Ehrenberg in Pravda, December 31, 1951:

"... Even if the spy, Allen Dulles, should arrive in Heaven through somebody's absentmindedness, he would begin to blow up the clouds, mine the stars, and slaughter the angels..."

Mr. Dulles was born in Watertown, New York, April 7, 1893.

His father was Allen Macy Dulles, a Presbyterian clergyman; his mother was Edith Foster Dulles. His uncle, John Welsh, was envoy to England in the Hayes administration. There have been three Secretaries of State in the Dulles family: John Foster Dulles, under President Eisenhower; John Watson Foster (his maternal grandfather), under Benjamin Harrison; and Robert Lansing (Allen Dulles's uncle by marriage), under Woodrow Wilson.

On October 16, 1920, Mr. Dulles and Miss Clover Todd, daughter of Professor and Mrs. Henry A. Todd of Columbia University, were married. They have a son, Allen Macy, and two daughters, Clover Todd and Joan.

Mr. Dulles's first book, The Boer War: a History, was written when he was only eight years old. Beginning in 1927, he has furnished articles for FOREIGN AFFAIRS. He wrote two books in collaboration with Hamilton Fish Armstrong: Can We Be Neutral? (1936);

Approved For Release 2002/10/31: CIA-RDP90-00610R000100180005-3 and Can America Stay Neutral? (1939). He also participated in the Council on Foreign Relations' confidential "war and peace studies" program, begun in 1939. In 1947 he wrote Germany's Underground. In the same year he furnished introductions to Problems of Germany by Price, Hoyt, and Schorske, and To The Bitter End by Hans Gisevius, and in 1949 to The Unknown Warriors by Guillan de Benouville. He has also contributed book reviews to several publications.

Mr. Dulles has been awarded the honorary degree of LL. D. by Brown University (1947); Temple University (1952); Columbia University (1955); Princeton University (1957); and George Washington University (1959).

# CHARLES PEARRE CABELL

General Charles Pearre Cabell, USAF, became the Deputy Director of Central Intelligence on April 23, 1953. Previously, he had been Director of the Joint Staff in the Office of the Joint Chiefs of Staff and Director of Intelligence of the U. S. Air Force. Other posts he had held with the Air Force related to intelligence include Chief of the Air Intelligence Requirements Division in the Office of the Director of Intelligence (August 1947-May 1948); U. S. Air Force representative to the Military Staff Committee in the United Nations (1945-1946); and Chief of the Strategic and Policy Division in the Office of the Assistant Chief of Air Staff for Plans (1945).

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General Cabell was born in Dallas, Texas, October 11, 1903.

He was graduated from the U. S. Military Academy in 1925; from the Air Corps Primary Flying School in 1931; from the Advanced Flying School, observation course, in 1931; from Command and General Staff School in 1940; and from the Army and Navy Staff College in 1943.

General Cabell was assigned to the Panama Canal Zone in 1931, and served at Randolph Field, Texas, from 1934 to 1938. In June 1939 he was assigned to Wright Field, Ohio, where he served in the Photographic Laboratory of the Experimental Engineering Division. After a period as an observer with the R.A.F. in the United Kingdom, he was transferred to Washington, D.C., in 1941 for duty in the Office of the Chief of Air Corps. From 1942 to 1943 he served as chief of the Advisory Council to Commanding General Henry Harley Arnold of the Air Corps.

General Cabell was assigned to the Eighth Air Force in the European Theater in October 1943, and commanded the 45th Combat Bombardment Wing. After service as Director of Plans for the U.S. Strategic Air Force in Europe, he was named Director of Operations and Intelligence for the Mediterranean Allied Air Forces with head-quarters at Caserta, Italy. In May 1945 General Cabell was assigned to Air Force Headquarters, where he became Chief of the Strategic and Policy Division in the Office of the Assistant Chief of Air Staff for Plans.

In December 1945 he was assigned to the Military Staff Committee of the United Nations. After attending the London Conference, he remained on duty with the United Nations in New York, as Deputy and later as U. S. Air Force representative on the Military Staff Committee. General Cabell was assigned to U. S. Air Force Headquarters in Washington in August 1947, and became Chief of the Air Intelligence Requirements Division in the Office of the Director of Intelligence of the U. S. Air Force. On November 1, 1951 General Cabell was named Director of the Joint Staff in the Office of the Joint Chiefs of Staff, from which post he came to the Central Intelligence Agency as Deputy Director of Central Intelligence.

General Cabell has been awarded by the United States the Distinguished Service Medal, Legion of Merit, Distinguished Flying Cross, Bronze Star Medal, and Air Medal with one Oak Leaf Cluster. He also has been made Honorary Commander of the British Empire, a Chevalier

in the French Legion of Honor, a wearer of the French Croix de Guerre, and a member of the Order of Maurizio e Lazzaro of Italy. He is rated a technical observer and a command pilot.

General Cabell and the former Jacklyn de Hymel of San Antonic, Texas, were married in 1934. They have two sons and a daughter and make their home at Bolling Air Force Base, Washington, D.C.

He became a four-star general in July, 1958.

## ROBERT AMORY, JR.

Robert Amory, Jr., has been with the Central Intelligence Agency since 1952. In May 1953 he became the Deputy Director for Intelligence. Since March 1953 he has been Intelligence Adviser to the National Security Council Planning Board.

He served as an enlisted man in the National Guard in the 1930's and re-enlisted in the winter of 1940. He was commissioned as Second Lieutenant, Field Artillery, in February 1941. He served as Battery Commander and Battalion S-3 until the summer of 1942, when, after a brief tour as an Assistant G-2 with Headquarters Sixth Army Corps, he was detailed to the Corps of Engineers to command an Engineer Boats Battalion. He trained this unit and commanded it overseas in the Southwest Pacific for over two years, participating in four campaigns and more than 20 assault landings. In the spring of 1945 he was assigned to command an Engineer Boat and Shore Regiment slated for the invasion of Kyushu. From 1946 to 1951 he commanded the Tank Battalion of the 26th Infantry Division, Massachusetts National Guard, serving for most of 1951 on active duty as a student at the Infantry School and at Command and General Staff College. He now commands the 11th Mobilization Designation Unit of the Army Reserves. He is a Colonel in the Officers' Reserve Corps.

He was born in Boston in 1915, and was educated at Milton Academy, Harvard College, and Harvard Law School. From 1938 to 1941 he practiced law in Wall Street. Following World War II, after six months

as assistant general counsel of a manufacturing concern, he accepted an appointment to the faculty of Harvard Law School (1946), becoming a full professor the following year. He taught business law and accounting at the Law School and Graduate School of Business Administration until 1952.

Mr. Amory and Mary Armstrong of New York were married in 1938. They have two sons.